

## GREEN MARKETING : A REVIEW FROM ISLAMIC MARKETING ETHICS PERSPECTIVE

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### Abstract

*Islam supports morality and matters that lead to a healthy society, and stands in the way against corruption and matters that lead to it. The guiding principle for the behavior of a Muslim is A'milun Sa'lihan - "Virtuous Deeds". This term covers all deeds, not only acts of worship. The Guardian and Judge of all deeds is Allah (SWT) Himself. The most fundamental characteristics of a Muslim are piety and humility.*

*Islamic Marketing Ethics (IME) that combines the principles of value maximization with the principles of equity and justice for the welfare is in accordance with the concept of green marketing. Although not mentioned specifically green marketing concept embodied in Islamic iMarketing Ethics. One of which is the value of social responsibility and value based marketing. Islamic Marketing Ethics requires fair and justice practice not only between the producer and consumer but also from all the stakeholder to be responsible to the society and environment.*

Keywords : *green marketing, islamic marketing and ethics perspective*

### A. Introduction

Nowadays environmental issues influence all human activities. As society becomes more concerned with the natural environment, businesses have begun to modify their behavior in an attempt to address society's "new" concerns. Some businesses have been quick to accept concepts like environmental management systems and waste minimization, and have integrated environmental issues into all organizational activities. One business area where environmental issues have received a great deal of discussion in the popular and professional press is marketing. Terms like "Green Marketing" and "Environmental Marketing" appear frequently in the popular press. That condition adds more aspects to be considered for marketers in order to maintain their business. The market is full of diversity, hence marketers in this modern world are going through numerous challenges to keep their strong footstep in the market.<sup>197</sup> Islam and marketing are two terms that, until recently, seldom came together. Yet today, there is a burgeoning interest, both in academic and practitioner circles, in understanding Islamic economic and business systems that are well defined and have proven their efficacy and strength. This paper attempts to elaborate and find links between such relatively

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<sup>197</sup> Kotler, P. and Armstrong, G., .2012. "*Principles of Marketing*", Prentice Hall, India, p. 12.

new issue and green marketing and the understudied perspective of Islamic marketing ethics.

## B. Islamic Marketing Concepts

Islam is a religious faith which cannot be separated from the realities of daily human activities, either religiosity, social or commercial. Given the scenario that commercial transactions are part of human daily activities, Islam provides a framework that shapes the moral and ethical behaviour of all commercial endeavours. Islamic teachings cover all commercial transactions, whether international or local. In marketing practices, Islamic teachings embedded in the Quran and the traditions of the Prophet (saw) have a foundation that is based on equity and justice.<sup>198</sup>

For a producer and marketer, Islam encourages the pursuit of business activities but not cheating<sup>199</sup>. For this, the producer and marketer must be accountable for all his goods, based on the following verses from the Quran: (Quran, 21: 47).

“We shall set up scale of justice for the Day of Judgment, so that not a soul will be dealt with unjustly in the least, and if there be (no more than) the weight of a mustard seed, we will bring it (to account) and enough are we to take account”

(Quran, 83: 1-4). “Woe to those that deal with fraud (those who give less in measure and weight). And when they have to give by measure or weight to men, give less than due. Do they not think they will be called to account”

Thus, a Muslim producer or marketer needs to be honest and take full responsibility for all the products he makes. A Muslim entrepreneur is responsible for protecting the interest of his employees, business partners, consumers, suppliers and society at large other than aiming for the main objective of profit making. The entrepreneur is expected to uphold the virtues of justice, magnanimity, co-operation, doing good and evading all wrong-doing, trustworthiness and an attitude of non-retaliation<sup>200</sup>. The words of the Prophet (pbuh) which became firm reminder are still valid for producers as narrated in the *Sahih Bukhari*. Firstly, producers should avoid products and services forbidden in Islam<sup>201</sup>. Secondly, they must avoid doubtful goods<sup>202</sup>. Next, they must be

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<sup>198</sup>Shuhaimi, mhmd and Abdullah, osman chuah. *Islamic Perspective on Marketing Mix*. International Journal of Business and Management Studies. Vol 4, no 2, 2012 issn: 1309-8047 (online)

<sup>199</sup> Abdullah, Kalthom. (2008). *Marketing mix from an Islamic perspective*. Petaling Jaya: Prentice Hall.

<sup>200</sup>Saeed, M., Zafar, U and Masoosa, Syed Mukhtar. (2001). “*International Marketing Ethics from an Islamic perspective: A value Maximization Approach*” in Journal of Business Ethics. Netherlands: Kluwer Academic Publishers. pp. 127-142.

<sup>201</sup>Al-Bukhari, Hadith No: 2015, 158

<sup>202</sup>Al-Bukhari, Hadith No: 2055, 161

honest in buying and selling<sup>203</sup>. Then producers should avoid fraudulent activities<sup>204</sup> and finally, producers should avoid any element of speculation (*al-gharar*)<sup>205</sup>

In Islam, business affairs should be good models of behaviour, harmonizing human relationship and minimizing abuse and work for the welfare of the society. An Islamic businessman should be truthful, trusted by all, sincere and just<sup>206</sup>. In fact, the Prophet (pbuh) demonstrated a history of honest trading by demonstrating principles of truthfulness, honesty, just and integrity to maintain the reputation of an Islamic economic man.<sup>207</sup> As for the Islamic man as a consumer, he just wants to fulfil his needs and his family's, help his children and dependents and provide services to his communities. Thus, if both the marketers or producers and consumers are honest and truthful, both are complementary to each other. One supplies the goods and services; the other consumes the goods and services<sup>208</sup>

### C. Islamic View on Environmental Issues

Environment refers to the complex of physical, chemical, and biological factors affecting human and non-human beings. Within the realm of environment, a host of ecosystems are functioning in which particular groupings of life forms interact with the environmental segments.<sup>209</sup> The natural ecosystem is a highly diverse and balanced system. It is composed of many species, each of which is more or less equally represented. Without the environmental segments, the living organisms cannot sustain themselves and will ultimately perish. The former is inevitable for the latter. There is deterministic relationship between the two.

There is no sacred scripture that speaks about nature and earth as much as the Qur'an. It contains numerous guidelines about our treatment of the earth and the rest of God's creation so much so that the Qur'anic revelation intimately connects itself with the notion of sacredness of nature. A whole eco-theology unfolds as a result that distinguishes Islamic spirituality with characteristics of its own. A closer look at the Qur'an and Prophetic hadith reveals a set of principles that point to a rich reservoir of environmental ethics with far-reaching socio-economic and political ramifications<sup>210</sup>.

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<sup>203</sup> Al-Bukhari, Hadith No: 2126, 195

<sup>204</sup> Al-Bukhari, Hadith No: 2117, 191

<sup>205</sup> Al-Bukhari, Hadith No: 2143, 203

<sup>206</sup> Ahmad, Sayyid Fayyaz. (1991). "The Ethical Responsibility of Business: Islamic Principles and Implications" in Journal of Objective Studies, Vol. 3, No 1, (January), pp. 74-90.

<sup>207</sup> Afzal-ur-Rahman, M. A. (1975). *Economic doctrine of Islam* (Vol. 11). Lahore: Islamic Publication Ltd.

<sup>208</sup> Ibid, Abdullah, Kalthom. (2008).

<sup>209</sup> Swarup, R., S.N. Mishra, V.P. Jauhar (1992), *Encyclopedia of Ecology, Environment and Pollution Control*, New Delhi: Mittal Publications. p. 360

<sup>210</sup> Kamali, Mohammad Hashim. (2010). *Environmental Care in Islam: A Qur'anic Perspective*. An article in The 15th General Conference 27- 29 September 2010. The Royal Aal al-Bayt Institute for Islamic Thought; *The Environment In Islam*. Amman - The Hashemite Kingdom of Jordan

The Islamic perspective on the environment rests on the belief that Allah (swt) is the Creator and Sustainer of the universe. The whole universe along with all of its factors has been created with perfect wisdom (*hikmah*). The number, quantity, and quality of these factors is precisely determined by the divine plan. Each factor plays its ordained role. Everything created by Allah has a just purpose which must be fulfilled. Moreover, nothing is permanent here; everything exists for a fixed period. The Holy Quran, shedding light on this point, says:

(Quran: 46:3)

“We created not the heavens and the earth and all between them but for just ends, and for a term appointed: but those who reject Faith turn away from that whereof they are warned.”

Islamic beliefs, traditions and values provide an effective and comprehensive solution to the current environmental challenges faced by the human race. Islam has a rich tradition of highlighting the importance of environmental protection and conservation of natural resources. According to Islamic law, the basic elements of nature – land, water, fire, forest, and light – belong to all living things, not just human beings. The Qur’an and Sunnah are guiding light to promote sustainable development in the world. According to the Holy Qur’an, environmental conservation is a religious duty as well as social obligation, and not an optional matter. The exploitation of a particular natural resource is directly related to accountability and maintenance of the resource. Allah (swt) commands human beings to avoid doing mischief and wasting resources as these acts cause degradation of the environment. The privilege to exploit natural resources was given to the mankind on a guardianship basis, which implies the right to use another person’s property on the promise that it will not be damaged or destroyed.<sup>211</sup>

#### **D. Green Marketing: Concepts and Development**

Defining Green marketing is not a simple task. Even the terminology used in this area has varied, including: Green Marketing, Environmental Marketing and Ecological Marketing. Since the 1980s, the so-called green marketing has gone through some stages which includes a backlash in 1990s and upswings in 2000s and onwards<sup>212</sup>. The last 1980s was said to be the mark of the first stage of green marketing. In this stage, the industry was first introduced to the concept of “Green Marketing”<sup>213</sup>. The 1990s decade, which was the second stage, began with very

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<sup>211</sup><http://www.ecomena.org>

<sup>212</sup>Ottman, J.A., et al. (2006). “Green Marketing Myopia: Ways to Improve Consumer Appeal for Environmentally Preferable Products”. *Environment* Volume 48, Number 5 pp 22-36 Heldref Publications, 2006.

<sup>213</sup>Peattie, Ken and Crane, Andrew.(2005). “Green Marketing: Legend, Myth, Farce or Propensity?”. *Qualitative Market Research: An International Journal*, Vol. 8 No. 4, pp. 357-370.

high and hopeful forecasts about the emergence of a "green tide" of consumers and new products<sup>214</sup>. However, the outcome of this decade was not as good as expected. Instead, consumers have become disillusioned; many of the groundbreaking green products produced by specialist firms have left the market; the dramatic growth in green product introductions at the beginning of the 1990s has subsided.<sup>215</sup>

The third stage of green marketing has started since 2000. More advanced technology has been implemented, deceptive claims are taking at stricter enforcement, new regulations from the government and a thorough and detailed inspection from various environmental organizations and the media, consumer's confidence has been greatly improved and many high quality green products have been made in the 2000s. In addition to the global concern of environmental quality that is steadily rising, green marketing now has picked up its momentum again like back in the 1990s (Lee, 2008). Some researchers even said that green marketing is now "making a comeback"<sup>216</sup>.

The definition of green marketing according to American Marketing Association (AMA) is:

"Green marketing is the marketing of products that are presumed to be environmentally safe. Thus green marketing incorporates a broad range of activities, including product modification, change to the production process, packaging changes, as well as modifying advertising."

Green or Environmental Marketing consists of all activities designed to generate and facilitate any exchanges intended to satisfy human needs or wants, such that the satisfaction of these needs and wants occurs, with minimal detrimental impact on the natural environment.<sup>217</sup> Green marketing refers to the process of selling products and/or services based on their environmental benefits. Such a product or service may be environmentally friendly in itself or produced and/or packaged in an environmentally friendly way. Green marketing offers business bottom line incentives and top line growth possibilities. While modification of business or production processes may involve start-up costs, it will save money in the long term. For example the cost of installing solar energy is an investment in future energy cost savings. Companies that develop new and improved products and services with environmental impacts in mind give themselves access to new markets, substantially increase profits and enjoy competitive advantages over those marketing non-environmentally responsible alternatives.

When looking through the literature there are several suggested reasons for firms increased use of Green Marketing. Five possible reasons are as follows:<sup>218</sup>.

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<sup>214</sup> Vandermerwe, S., & Oliff, M. D. (1990). Customers drive corporations green. *Long Range Planning*, 23(6), 3–9.

<sup>215</sup> Ibid, Peattie, Ken and Crane, Andrew. (2005).

<sup>216</sup> Ibid, Ottman, J.A., et al. (2006).

<sup>217</sup> Singh, Preeti and Kushwaha, Rohit (2010) *Green Marketing: Opportunity for Innovation and Sustainable Development*. Jhunjhunwala Business School, Faizabad

<sup>218</sup> Ibid, Singh, Preeti and Kushwaha, Rohit (2010)

1. Organizations perceive environmental marketing to be an opportunity that can be used to achieve its objectives
2. Organizations believe they have a moral obligation to be more socially responsible
3. Governmental bodies are forcing firms to become more responsible
4. Competitors' environmental activities pressure firms to change their environmental marketing activities
5. Cost factors associated with waste disposal, or reductions in material usage forces firms to modify their behavior

The crucial word from the concept of green marketing is the green word. In comprehension of many people nowadays the word green means "conserve the environment". In relation to the green then Grant makes a category regarding how green activities conducted by firms, namely:<sup>219</sup>

1. Green - setting new standards - communicate: having commercial objectives only (where the product, brand or company is greener than alternatives, but the marketing is straight forward about establishing this difference).
2. Greener - sharing responsibility - collaborate: having green objectives as well as commercial objectives (the marketing itself achieves green objectives, for instance changing the way people use the product)
3. Greenest- supporting innovation - cultural reshaping: having cultural objectives as well (making new ways of life and new business models normal and acceptable).

Green marketing includes many aspects from the product before it was produced, the production process, offered to consumers, to the use of the product and how to dispose of it. Green marketing in practice covering a very broad activity as suggested by Oyewole namely:<sup>220</sup>

1. using packaging and raw materials that are recyclable, reusable, photodegradable and/or biodegradable.
2. pollution-free production process
3. aerosol-free raw materials
4. pesticide-free farming
5. anti chemical methods of food preservation
6. less bulky packaging that uses less of the raw material
7. natural, as against synthetic fertilizer

Green marketing implemented by the company will has a positive impact for the company, among other things: the increase of sales, improvement of customer feedback, closer to the customer, enhance competitiveness, improvement of corporate image.<sup>221</sup>

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<sup>219</sup>Grant, John. 2007. *The Green Marketing Manifesto*. John Wiley & Sons, Ltd., West Sussex, England.

<sup>220</sup>Oyewole, Philemon. 2001. *Social Costs of Environmental Justice Associated with the Practise of Green Marketing*. Journal of Business Ethics, Vol. 29.

<sup>221</sup>Pujari, Devashish, Gillian Wright, Ken Peattie. 2003. *Green and competitive. In- fluences on environmental new product development performance*. Journal of Business Research, Vol. 56.

## E. Green Marketing in Islamic Marketing Ethics View

The Qur'an encourages marketing and business transactions. It views the life of man as a continuous process. Man's life, for the Qur'an, starts at his birth but does not end with his death. Man has to work for and earn success and comforts not only in this world but in the next one as well. In that respect marketer and marketing are classified as Gainful marketing and losing marketing.<sup>222</sup> A gainful marketer, according to the Qur'an, consists of three elements: a) Knowing the best investment; b) Making the sound judgment; c) Following the right conduct.

Preference of that which is al-lay (good) and Halal (lawful) over against that which is *khabiith* (bad) and Haram (unlawful) is considered to be a proof of sound judgment, right conduct consisting of good deeds is regarded as the real gainful investment as it ensures a peaceful life in the world as well as success and great recompense in the hereafter. The yard stick with which a person's conduct is to be measured is also prescribed by the Qur'an. Lack or absence of the elements of a gainful marketing is considered to be a losing business.<sup>223</sup>

Islamic Marketing Ethics (IME) is still at the stage of infant as a discipline for academic study and research. IME combines the principles of value maximization with the principles of equity and justice for the welfare<sup>224</sup>. Islamic marketing ethics<sup>225</sup> differ from secular approaches in a number of ways. First, they are not relative but are absolute in their terms as they are based on Qur'anic commandments and leave no scope for ambiguous interpretation by marketing executives to suit their individual whims and desires. The second notable difference is their transcendental aspect of absoluteness and non-malleable nature. Third, the Islamic approach emphasizes value maximization in view of the greater good of the society rather than selfish pursuit of profit maximization. Such properties grant Islamic ethics tremendous capacity to penetrate human conscience and are capable of influencing the behavior of international marketing executives from within.

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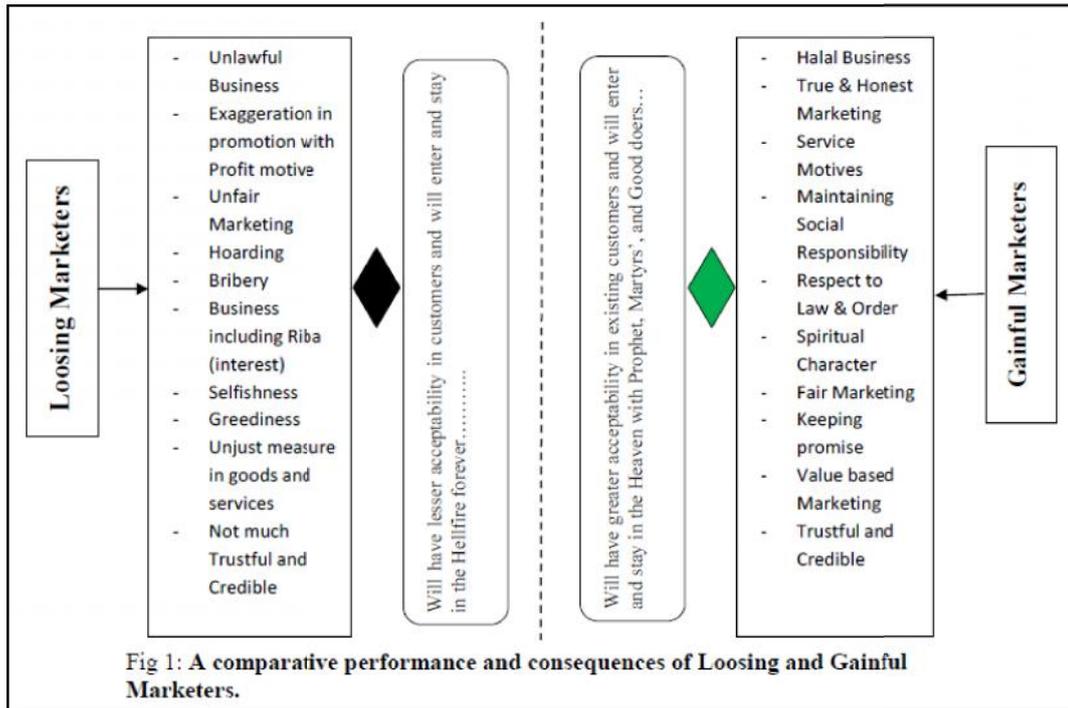
<sup>222</sup> A ,Ahmad. 1995. *Business Ethics in Islam*, International Institute of Islamic Thought (IIIT), Virginia, USA, p- 28.

<sup>223</sup> Mohiuddin Golam, Md and Haque Shariful Md. Behaving Ethically: An Essence of Islamic Marketing System. *European Journal of Business and Management* [www.iiste.org](http://www.iiste.org). ISSN 2222-1905 (Paper) ISSN 2222-2839 (Online). Vol 4, No.16, 2012

<sup>224</sup> Hassan, A., Chachi, A. and Latiff, S.A., .2008. "Islamic Marketing Ethics and Its Impact on Customer Satisfaction in the Islamic Banking Industry", *J.KAU: Islamic Economics*, Vol. 21 No. 1, . p. 23-40.

<sup>225</sup> *Ibid*, Saeed, M., Zafar, U and Masoosa, Syed Mukhtar. (2001).

Following figures show the consequences of gainful and losing marketers:



Source :Mohiuddin Golam, Md and Haque Shariful Md. Behaving Ethically: An Essence of Islamic Marketing System. European Journal of Business and Management [www.iiste.org](http://www.iiste.org). ISSN 2222-1905 (Paper) ISSN 2222-2839 (Online). Vol 4, No.16, 2012

Islam supports morality and matters that lead to a healthy society, and stands in the way against corruption and matters that lead to it. The guiding principle for the behavior of a Muslim is *A'milun Sa'lihan* - "Virtuous Deeds". This term covers all deeds, not only acts of worship. The Guardian and Judge of all deeds is Allah (SWT) Himself. The most fundamental characteristics of a Muslim are piety and humility.

Islamic Marketing Ethics (IME) that combines the principles of value maximization with the principles of equity and justice for the welfare is in accordance with the concept of green marketing. Although not mentioned specifically green marketing concept embodied in Islamic iMarketing Ethics. One of which is the value of social responsibility and value based marketing. Islamic Marketing Ethics requires fair and justice practice not only between the producer and consumer but also from all the stakeholder to be responsible to the society and environment.

Furthermore, as the Islamic approach emphasizes value maximization in view of the greater good of the society rather than selfish pursuit of profit maximization. Such properties grant Islamic ethics tremendous capacity to penetrate human conscience and are capable of influencing the behavior of international marketing executives from within.

## **F. Conclusion**

Islam is a wide-ranging way of life. Morality is one of the cornerstones of Islam and is one of the fundamental sources of a nation's strength when immorality causes decline of an individual, a family, an organization, a society and a state as a whole. Islam has established some universal fundamental rights for humanity as a whole, which are to be observed in all circumstances. To uphold these rights, Islam has provided not only legal safeguards, but also a very effective moral system. Thus, whatever leads to the welfare of the individual or the society and does not oppose any maxims of the religion is morally good in Islam, and whatever is harmful is morally bad. Islamic teachings place great emphasis on the welfare of the wider society and that Islam condemns unequivocally all forms of unethical, immoral and other corrupt practices. Manipulating laws and circumstances in order to reap profitable marketing strategies is also condemned as a form of exploitation.

The Islamic tradition possesses an ethics and a metaphysics of nature, rooted in the revelation and Divine law, which concern the duties and responsibilities of man towards the non-human realms of the created order. It can contribute not only to the Islamic world itself that struggles with the consequences of the environmental crisis, but to the betterment of the larger humanity. Along with the rising concern about environmental issue grows such concept of green marketing although not specifically mentioned in the Islamic Marketing Ethics should gain more attention from Islamic scholars to be analysed. Further research on how Islamic based companies implement the green marketing strategies and both the challenges and advantages they face needs in-depth study to gain more understanding in this field.

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